

SERFF Tracking Number: NCMA-126583840 State: District of Columbia
Filing Company: NCMIC Insurance Company State Tracking Number:
Company Tracking Number: 2010 CHIRO REV - RATE/RULE
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: 2010 Chiro Rev /2010 Chiro Rev

Filing at a Glance

Company: NCMIC Insurance Company
Product Name: Chiropractic Malpractice
TOI: 11.0 Medical Malpractice - Claims
Made/Occurrence
Sub-TOI: 11.0003 Chiropractic
Filing Type: Rate/Rule
SERFF Tr Num: NCMA-126583840 State: District of Columbia
SERFF Status: Closed-APPROVED State Tr Num:
Co Tr Num: 2010 CHIRO REV - State Status:
RATE/RULE
Reviewers: Robert Nkojo
Authors: Juli Frank, Terry Hopkins, Disposition Date: 10/19/2010
Rejeana Otte, Alicia Kirkle
Date Submitted: 04/21/2010 Disposition Status: APPROVED
Effective Date Requested (New): 10/01/2010 Effective Date (New):
Effective Date Requested (Renewal): 10/01/2010 Effective Date (Renewal):
State Filing Description:

General Information

Project Name: 2010 Chiro Rev
Project Number: 2010 Chiro Rev
Reference Organization: N/A
Reference Title: N/A
Filing Status Changed: 10/19/2010
State Status Changed:
Created By: Lauren Sartwell
Corresponding Filing Tracking Number: NCMA-126583839
Filing Description:
Status of Filing in Domicile: Authorized
Domicile Status Comments:
Reference Number: N/A
Advisory Org. Circular: N/A
Deemer Date:
Submitted By: Lauren Sartwell
NCMIC Insurance Company (NCMIC) currently has on file with the District of Columbia Department of Insurance a claims made and occurrence chiropractic malpractice professional liability program. At this time, NCMIC would like to submit our rating manual which has been amended to include updated rules for the new and revised endorsements and applications (Corresponding Filing #NCMA-126583839). Please see the side-by-side rating manual comparison which details all the changes being made.

If you have any questions or need any additional information regarding this filing please feel free to contact me directly. I thank you in advance for your attention to this matter.

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Company and Contact

Filing Contact Information

Lauren Sartwell, Compliance Analyst lsartwell@ncmic.com
14001 University Avenue 800-321-7015 [Phone] 4691 [Ext]
Clive, IA 50325-8258 515-313-4476 [FAX]

Filing Company Information

NCMIC Insurance Company CoCode: 15865 State of Domicile: Iowa
14001 University Ave Group Code: 2638 Company Type: Property/Casualty
Clive, IA 50235 Group Name: State ID Number:
(800) 321-7015 ext. [Phone] FEIN Number: 42-0635534

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
NCMIC Insurance Company	\$0.00		

<i>SERFF Tracking Number:</i>	<i>NCMA-126583840</i>	<i>State:</i>	<i>District of Columbia</i>
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Robert Nkojo	10/19/2010	10/19/2010

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Deemer Letter	Note To Reviewer	Rejeana Otte	06/21/2010	06/21/2010

SERFF Tracking Number:	NCMA-126583840	State:	District of Columbia
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Disposition

Disposition Date: 10/19/2010

Effective Date (New):

Effective Date (Renewal):

Status: APPROVED

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
NCMIC Insurance Company	0.000%	0.000%	\$0	0	\$29,743	0.000%	0.000%
Percent Change Approved:							
	Minimum:	%	Maximum:	%	Weighted Average:		%

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter All Filings		Yes
Supporting Document	Consulting Authorization		Yes
Supporting Document	Actuarial Certification (P&C)		Yes
Supporting Document	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		Yes
Supporting Document	District of Columbia and Countrywide Loss Ratio Analysis (P&C)		Yes
Supporting Document	Rating Manual Explanatory Memo		Yes
Supporting Document	Rating Manual - Comparison		Yes
Rate	District of Columbia Claims Made and Occurrence Chiropractic Professional Liability Manual		Yes

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Note To Reviewer

Created By:

Rejeana Otte on 06/21/2010 09:43 AM

Last Edited By:

Rejeana Otte

Submitted On:

06/21/2010 09:44 AM

Subject:

Deemer Letter

Comments:

Please see the attached deemer letter, effective 6/21/10. Thanks!



NCMIC Insurance Company

A member of NCMIC Group, Inc.
NCMIC Insurance Company
NCMIC Finance Corporation
Professional Solutions Insurance Company
NCMIC Insurance Services

14001 University Avenue, Clive, Iowa 50325-8258
Local 515-313-4500 Toll-Free 800-247-8043
Mailing Address: P.O. Box 9118, Des Moines, Iowa 50306-9118
Claims Reporting Line: 800-242-4052

June 21, 2010

Dept. of Insurance, Securities and Banking
Government of the District of Columbia
Attn: Robert Nkojo

VIA SERFF

RE: NCMIC Insurance Company
Chiropractic Malpractice – Rate/Rule Filing
Filing Number: 2010 Chiro Rev
SERFF Tracking Number: NCMA-126583840

Dear Mr. Nkojo:

On April 21, 2010, NCMIC Insurance Company (NCMIC) electronically submitted through SERFF the above-referenced rate/rule filing. Pursuant to D.C. Code 31-2502.27 we are deeming the above- referenced rate/rule filing approved on June 21, 2010.

If you have any questions regarding this matter, please feel free to contact me directly.

Sincerely,

Rejeana Otte
Compliance Analyst
PH: (800) 321-7015 Ext. 4717
FX: (515) 313-4476
Email: rotte@ncmic.com

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Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	13.900%
Effective Date of Last Rate Revision:	11/01/2004
Filing Method of Last Filing:	Prior Approval

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
NCMIC Insurance Company	N/A	0.000%	0.000%	\$0	0	\$29,743	0.000%	0.000%

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Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	District of Columbia Claims Made and Occurrence Chiropractic Professional Liability Manual		Replacement	NCMA-125818101 DC Advantage Rating Manual-02-10.pdf

District of Columbia Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

Insureds

NCMIC has two types of insureds. The two types of insureds are listed below:

1. Individual chiropractor (DC)
2. Professional Entities

Policy Period

The policy period shall be for a one-year term.

Minimum Premium

NCMIC does not have a minimum premium requirement.

Waiver of Additional Premiums

Additional premiums, up to \$10.00, for endorsements effective subsequent to the inception date of the policy will be waived.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 51% of his/her practice. If the doctor does not have 51% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have equal percentage of practice, then rate in the higher rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with \$5.00 installment fee.

Quarterly payment option – 25% of premium payment required along with \$5.00 installment fee.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than \$750.00.

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, any refund will be computed pro-rata.

Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the underwriting review and acceptance of our insureds:

1. Fully and permanently licensed in the state(s) of practice.
2. Criminal record.
3. Prior claims history:
 - a. Severity of claim
 - b. Indemnity paid
 - c. Date of claim
 - d. Frequency of Claim
4. Any possible current claims and/or incidents

5. Declined, canceled or refused renewal for coverage
6. Revocation, suspension or probation of license
7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$590.00.

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

<u>Maturity</u>	<u>Retro Factors</u>
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's occurrence policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$615.00.

Base Premium Developed

Base Rate x ILF = Base premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased limits factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate Occurrence Discounted Premium

Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discounts factors

Part-Time	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity coverage premium developed

Professional Entity coverage premium = base premium x professional entity coverage factor

Professional Entity Factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated.

Occurrence Discounted Premium with Endorsements

Formula: Occurrence discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 25%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	<u>CREDIT</u>	<u>DEBIT</u>
Unusual risk characteristics	XXXX	0-25%
Claim history debit	XXXX	0-25%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided at no additional charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Extended Reporting Endorsement (Tail Coverage) Form 06-2014 07/07

If a claims made policy is canceled or non-renewed for any reason other than non-payment of premium, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made rates

Number of Years Since Retro Date	Tail Factor (Factor to apply to <u>mature claims made</u> <u>rate</u> in effect at policy termination)
1	0.654
2	0.975
3	1.062
4	1.082

Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On “claims made” forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured's NCMIC claims made policy.

Example:

Policy expires 6-1-05. The extended reporting endorsement (tail coverage) must be purchased by 7-30-05.

2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured's most recent NCMIC claims made policy retroactive date.

Example:

The insured's claims made policy retroactive date is 7-1-05 and expiration date is 10-1-05. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-05 to 10-1-05.

3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.

Example:

An insured has a malpractice insurance policy with us issued with a \$1,000,000/\$3,000,000 limit of liability. The insured has a retroactive date of 1-1-04 and the insurance policy is canceled with us on 3-28-05. The charge for the insured's tail coverage premium has been computed below.

- a. You first must determine how many days between the retroactive date and the cancellation effective date.
- b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate \$1,788 x (Increased limits factor) 1.75 = mature claims made base premium \$3,129.00.

- c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

1 or 2 or 3 or 4+ years

Mature claims made base premium		\$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	\$2,046.00

- d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

- e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium	\$3,129
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x	0.975
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\$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. (\$3,051.00) – Extended Reporting Period Premium 1 yr. (\$2,046.00) = \$1,005.00

Number of days	87
Number of days in year	365

f. Calculate: $(87 / 365) \times \$1005.00 = \240.00

Extended Reporting Period Premium 1 yr. $\$2,046.00 + \$240.00 = \$2,286.00$

4. Tail coverage is priced at the rules and rates in effect at policy termination.
5. Tail coverage is provided at no additional charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is provided at no additional charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is provided at no additional charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.
6. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, except non-payment of premium, the tail coverage will be provided at no additional charge.

Section V – Discounts

(Available for both claims made and occurrence policies)

New Practitioner Discounts Available:

License Date: NCMIC uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor practicing part-time is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for the part-time discount.

2. Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is \$0 dollars indemnity and \$15,000 or less LAE payments cumulative for the time period under review. The claims free discount will only be applied to the doctor's base premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

<u>Number of years insured with NCMIC without a claim</u>	<u>Percentage discount</u>
Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%

Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

3. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is \$1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$\$1,500 \times .50 =$	\$750 (faculty base premium)
$(20\% + 15\%) \times .50 =$	17.5% (total discounts allowed)
$\$750 \times 17.5\% =$	131.25 (discount amount)
$\$750 - 131.25 =$	\$618.75 (premium to be paid)

Section VI – Coverage Options (Available for both claims made and occurrence policy)

MUA Endorsement (Form 06-2007 03/10)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. The charge for this endorsement will be \$750.00.

MUA Course Proctorship Endorsement (Form 06-2032 03/10)

This endorsement provides coverage for insured chiropractors while attending the practical, hands-on portion of their manipulation under anesthesia course (clinical competencies). An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. The charge for this endorsement will be \$250.00.

Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2001 05/06 and Form 06-2002 05/06)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity - Separate Limits of Liability Endorsement (Form 06-2003 05/06 and Form 06-2004 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2005 05/06 and Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220% of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Supplemental Legal Defense Endorsement (Form 06-2015 07/08 and Form 06-2016 07/08)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to \$25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 07/07 and Form 06-2018 07/07)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the leave of absence. Suspension of coverage does not apply to any professional entities insured under the policy.

Active Military Duty Endorsement (Form 06-2019 07/07 and Form 06-2020 07/07)

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave. Suspension of coverage does not apply to any professional entities insured under the policy.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Naturopathy Endorsement (Form 06-2023 05/06)

This endorsement adds coverage for insured chiropractors who are also licensed naturopaths and are providing both chiropractic and naturopathic treatment to patients. Additional application information will be required for approval. The charge for this endorsement is 15% of the base premium.

Dual License – Acupuncture – Oriental Medicine Endorsement (Form 06-2024 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice Acupuncture – Oriental medicine while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. The charge for this endorsement is 5% of the base premium.

Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

Delegation of Certain Policy Rights Endorsement (Form 06-2026 04/07)

This optional endorsement allows an insured to delegate certain policy rights to his or her employer.

Dual License – Massage Therapy Endorsement (Form 06-2027 06/07)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice massage therapy while acting within the scope of their license(s) and/or certification(s). Additional application information will be required for approval. There is no charge for this endorsement.

Chiropractic Treatment of Animals Endorsement (Form 06-2029 07/08)

This endorsement will add treatment of animals to the list of professional services covered by the policy. Coverage is limited to \$40,000 per claim and \$80,000 aggregate per policy period. The charge for this endorsement is \$200.

Section VII Coverage Options (Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years Since Retroactive Date	Prior Acts Factor
1	62.8%
2	93.6%
3	102%
4	103.9%

Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is \$100,000/\$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

SERFF Tracking Number:	NCMA-126583840	State:	District of Columbia
Filing Company:	NCMIC Insurance Company	State Tracking Number:	
Company Tracking Number:	2010 CHIRO REV - RATE/RULE		
TOI:	11.0 Medical Malpractice - Claims	Sub-TOI:	11.0003 Chiropractic
	Made/Occurrence		
Product Name:	Chiropractic Malpractice		
Project Name/Number:	2010 Chiro Rev /2010 Chiro Rev		

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item:	Cover Letter All Filings	
Comments:		
Attachment:		
2010 Cover Letter.pdf		

	Item Status:	Status Date:
Bypassed - Item:	Consulting Authorization	
Bypass Reason:	NCMIC Insurance Company is filing on its own behalf.	
Comments:		

	Item Status:	Status Date:
Satisfied - Item:	Actuarial Certification (P&C)	
Comments:	Currently, there are no insureds in the District of Columbia with coverage for manipulation under anesthesia; therefore, there will be no impact from the addition of the \$750 charge for this coverage.	
Attachment:		
Filing Memo-CPL MUA@4-1-10-FINAL.pdf		

	Item Status:	Status Date:
Satisfied - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)	
Comments:		
Attachment:		
2009 DC Experience Exhibit.pdf		

SERFF Tracking Number: NCMA-126583840 State: District of Columbia
Filing Company: NCMIC Insurance Company State Tracking Number:
Company Tracking Number: 2010 CHIRO REV - RATE/RULE
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: 2010 Chiro Rev /2010 Chiro Rev

Item Status: Status
Date:

Bypassed - Item: District of Columbia and
Countrywide Loss Ratio Analysis
(P&C)

Bypass Reason: This requirement is not applicable. This filing has no affect on rates as there are currently no insureds in the District of Columbia with coverage for manipulation under anesthesia; therefore there will be no impact from the addition of the \$750 charge for this coverage.

Comments:

Item Status: Status
Date:

Satisfied - Item: Rating Manual Explanatory Memo

Comments:

Attachment:

2010 Rating Manual Explanatory Memo.pdf

Item Status: Status
Date:

Satisfied - Item: Rating Manual - Comparison

Comments:

Side-by-side comparison of existing and replacement rating manual.

Attachment:

DC Rating Manual - Comparison.pdf

April 14, 2010

District of Columbia DISR
Attn: Financial Examination
810 First Street North East, Room 700
Washington, DC 20002

VIA SERFF

RE: NCMIC Insurance Company
NAIC Number: 15865
Filing Number: 2010 Chiro Rev
Proposed Effective Date: 7/1/10 New business and Renewals

To Whom It May Concern:

NCMIC Insurance Company (NCMIC) currently has on file with the District of Columbia Department of Insurance a claims made and occurrence chiropractic malpractice professional liability program. At this time, NCMIC would like to submit for your review and approval new and amended endorsements and applications for our currently approved Claims Made Chiropractic Malpractice Professional Liability Policy (form CM2006 05/06) and Occurrence Chiropractic Malpractice Professional Liability Policy (form MP2006 05/06). Please see the Forms Explanatory Memorandum for a description of the forms being filed.

We are also attaching a copy of our corresponding rating manual which has been amended to include updated rules for the new and revised endorsements and applications. Please see the side-by-side rating manual comparison which details all the changes being made.

If you have any questions or need any additional information regarding this filing please feel free to contact me directly. I thank you in advance for your attention to this matter.

Sincerely,

Lauren G. Sartwell
Compliance Analyst
PH: (800) 321-7015 Ext. 4691
FX: (515) 313-4476
Email: lsartwell@ncmic.com

Encl.

NCMIC INSURANCE COMPANY
CHIROPRACTOR PROFESSIONAL LIABILITY
ACTUARIAL ANALYSIS OF MANIPULATION UNDER ANESTHESIA RATE
EFFECTIVE APRIL 1, 2010

This memorandum has been prepared in support of NCMIC Insurance Company's (NCMIC) selected endorsement charge for its chiropractor professional liability (CPL) rate methodology regarding chiropractors who perform manipulations under anesthesia (MUA).

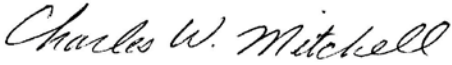
The following steps were performed by Milliman to estimate the average cost per policy associated with MUA procedures. Exhibit 1 displays a paid development projection method whereby NCMIC's historical paid to date loss and allocated loss adjustment expense (ALAE) on MUA claims is projected to an ultimate cost basis. The development factors are derived from Milliman's December 31, 2009 unpaid claim liability analysis for NCMIC's chiropractor professional liability exposures. Exhibit 2 displays a similar incurred loss and ALAE development projection and Exhibit 3 displays a case reserve development projection. Exhibit 4 displays an incurred Bornhuetter-Ferguson (BF) projection method where the selected ultimate loss and ALAE costs for coverage years 2005 and prior are utilized as an á-priori via a selected pure premium to project the ultimate loss and ALAE costs on MUA claims for coverage years 2006 to 2009. Exhibit 5 then summarizes the results of each projection method, and final selections are made.

On Exhibit 6a, the selected gross ultimate loss and ALAE on MUA claims is trended forward to a policy year effective date of April 1, 2010 and divided by the number of occurrence equivalent policies having an MUA endorsement to estimate a loss and ALAE cost per policy. Exhibit 6b displays a similar projection where individual claims have been limited to \$1 million and single occurrences have been limited to NCMIC's clash retention of \$2 million per occurrence. Exhibit 6c summarizes similar results where we have limited individual claims to \$500,000 prior to the \$2 million clash coverage.

Exhibit 7 summarizes the loss and ALAE indications and adjusts the indications based on limited claims experience to a gross basis utilizing increased limits factors derived from NCMIC's broader chiropractor professional liability coverage. Premium tax is also incorporated to get various indications of NCMIC's ultimate cost related to MUA procedures. Premium tax is the only incremental expense required for this exposure as all other expenses are included in the underlying chiropractor professional liability rate. Exhibit 7 then displays NCMIC's selected charge for this exposure.

Several final points should be noted. First, we relied on data and information provided by NCMIC and did not audit or independently verify it other than for general reasonableness. Additionally, this analysis was prepared for NCMIC's internal business use only and is not to be provided to any third party. We understand that NCMIC intends to provide a copy of this letter to the state insurance departments in support of its rate filings and we permit such distribution. Finally, actuarial estimates of professional liability rate levels are subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement patterns, judicial decisions, legislation, etc. This inherent uncertainty is exacerbated by the limited volume and extreme volatility of claims experience associated with MUA procedures. While the estimates contained herein represent our best professional judgment, it is not only possible, but in fact probable, that the ultimate cost of providing coverage may deviate, perhaps significantly, from our estimates.

Respectfully submitted,


Charles W. Mitchell, FCAS, MAAA
Consulting Actuary

CWM/bas

March 26, 2010

J:\CLIENT\NCM\2010\NCMIC\3March\Filing Memo-CPL MUA@4-1-10.docx

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

**Paid Development Indicated Ultimate Loss & ALAE
MUA Only**

	(1)	(2)	(3) (1) + (2)	(4)	(5)	(6) (1) x (4)	(7) (2) x (5)	(8) (6) + (7)
Accident / Report Year	Gross Paid Loss & ALAE			Gross Paid Development Factor		Indicated Gross Ultimate Loss & ALAE		
	Occurrence	Claims-Made	Combined	Occurrence	Claims-Made	Occurrence	Claims-Made	Combined
1991	58,881		58,881	1.000		58,881		58,881
1992	53,039		53,039	1.000		53,039		53,039
1993	64,886		64,886	1.000		64,886		64,886
1994	0		0	1.000		0		0
1995	117,689		117,689	1.000		117,689		117,689
1996	0	0	0	1.016	1.000	0	0	0
1997	0	0	0	1.006	1.000	0	0	0
1998	0	0	0	1.002	1.000	0	0	0
1999	0	0	0	1.005	1.000	0	0	0
2000	206,937	0	206,937	1.017	1.000	210,495	0	210,495
2001	0	0	0	1.069	1.000	0	0	0
2002	56,136	0	56,136	1.082	1.038	60,766	0	60,766
2003	151,928	0	151,928	1.110	1.006	168,631	0	168,631
2004	0	0	0	1.233	1.048	0	0	0
2005	0	0	0	1.539	1.180	0	0	0
2006	0	0	0	2.550	1.123	0	0	0
2007	0	0	0	4.939	1.839	0	0	0
2008	126,104	0	126,104	27.827	2.932	3,509,059	0	3,509,059
2009	0	44,891	44,891	899.394	11.422	0	512,744	512,744

(1) , (2) Provided by NCMIC.

(4) , (5) Implicit development factor from Milliman analysis of NCMIC's unpaid claim liabilities as of December 31, 2009.

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

**Incurred Development Indicated Ultimate Loss & ALAE
MUA Only**

	(1)	(2)	(3) (1) + (2)	(4)	(5)	(6) (1) x (4)	(7) (2) x (5)	(8) (6) + (7)
Accident / Report Year	Gross Incurred Loss & ALAE			Gross Incurred Development Factor		Indicated Gross Ultimate Loss & ALAE		
	Occurrence	Claims-Made	Combined	Occurrence	Claims-Made	Occurrence	Claims-Made	Combined
1991	58,881		58,881	1.000		58,881		58,881
1992	53,039		53,039	1.000		53,039		53,039
1993	64,886		64,886	1.000		64,886		64,886
1994	0		0	1.000		0		0
1995	117,689		117,689	1.000		117,689		117,689
1996	0	0	0	1.004	1.000	0	0	0
1997	0	0	0	1.002	1.000	0	0	0
1998	0	0	0	1.002	1.000	0	0	0
1999	0	0	0	1.003	1.000	0	0	0
2000	206,937	0	206,937	1.006	1.000	208,149	0	208,149
2001	0	0	0	1.024	1.000	0	0	0
2002	56,136	0	56,136	1.050	1.001	58,935	0	58,935
2003	151,928	0	151,928	1.068	1.006	162,253	0	162,253
2004	0	0	0	1.089	1.011	0	0	0
2005	0	0	0	1.216	1.030	0	0	0
2006	0	0	0	1.340	1.045	0	0	0
2007	0	0	0	1.623	1.350	0	0	0
2008	3,756,104	0	3,756,104	2.326	1.324	8,735,799	0	8,735,799
2009	0	1,544,891	1,544,891	20.356	1.947	0	3,007,564	3,007,564

(1) , (2) Provided by NCMIC.

(4) , (5) Implicit development factor from Milliman analysis of NCMIC's unpaid claim liabilities as of December 31, 2009.

Note: Accident year 2008 includes two claims reported past the valuation date of 12/31/2009.
NCMIC opened files for these claims on 1/5/2010 and 1/7/2010.
The initial claim values (loss reserves only) of \$50k and \$30k are included in column (1).

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

**Case Reserve Indicated Ultimate Loss & ALAE
MUA Only**

	(1)	(2)	(3) (1) + (2)	(4)	(5)	(6) (1) x (4)	(7) (2) x (5)	(8)	(9)	(10) (6) + (8)	(11) (7) + (9)	(12) (10) + (11)
Accident / Report Year	Gross Case Reserve Loss & ALAE			Implicit Gross Case Reserve Development Factor		Indicated Gross Unpaid Loss & ALAE		Gross Paid Loss & ALAE		Indicated Gross Ultimate Loss & ALAE		
	Occurrence	Claims-Made	Combined	Occurrence	Claims-Made	Occurrence	Claims-Made	Occurrence	Claims-Made	Occurrence	Claims-Made	Combined
1991	0		0	1.000		0		58,881		58,881		58,881
1992	0		0	1.000		0		53,039		53,039		53,039
1993	0		0	1.000		0		64,886		64,886		64,886
1994	0		0	1.000		0		0		0		0
1995	0		0	1.000		0		117,689		117,689		117,689
1996	0	0	0	1.386	1.000	0	0	0	0	0	0	0
1997	0	0	0	1.573	1.000	0	0	0	0	0	0	0
1998	0	0	0	1.000	1.000	0	0	0	0	0	0	0
1999	0	0	0	2.044	1.000	0	0	0	0	0	0	0
2000	0	0	0	1.526	1.000	0	0	206,937	0	206,937	0	206,937
2001	0	0	0	1.560	1.000	0	0	0	0	0	0	0
2002	0	0	0	2.655	1.040	0	0	56,136	0	56,136	0	56,136
2003	0	0	0	2.797	1.000	0	0	151,928	0	151,928	0	151,928
2004	0	0	0	1.766	1.303	0	0	0	0	0	0	0
2005	0	0	0	2.032	1.235	0	0	0	0	0	0	0
2006	0	0	0	1.716	1.641	0	0	0	0	0	0	0
2007	0	0	0	1.928	2.313	0	0	0	0	0	0	0
2008	3,630,000	0	3,630,000	2.447	1.592	8,881,427	0	126,104	0	9,007,531	0	9,007,531
2009	0	1,500,000	1,500,000	20.804	2.141	0	3,211,959	0	44,891	0	3,256,850	3,256,850

- (1) Exhibit 2 column (1) minus Exhibit 1 column (1).
 (2) Exhibit 2 column (2) minus Exhibit 1 column (2).
 (4) , (5) Implicit in selected paid and incurred development factors displayed on Exhibit 1 and Exhibit 2.
 (8) , (9) From Exhibit 1.

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

**Incurred Bornhuetter-Ferguson (BF) Indicated Ultimate Loss & ALAE
MUA Only**

	(1)	(2)	(3)	(4)	(5) (3) + (4) x 0.96	(6) (1) x (2) / (5)
Accident / Report / Calendar Year	Selected Combined Gross Ultimate Loss & ALAE	-3.00% Trend Factor to 2006	Occurrence Policyholders with MUA Coverage	Mature CM Equivalent Policyholders with MUA Coverage	Combined Occurrence Equivalent Policyholders	Trended Gross Ultimate Loss & ALAE Pure Premium
1994	0	0.694	22.0		22.0	0
1995	117,689	0.715	67.0		67.0	1,256
1996	0	0.737	116.0	0.0	116.0	0
1997	0	0.760	145.5	1.0	146.4	0
1998	0	0.784	162.0	3.2	165.1	0
1999	0	0.808	187.0	8.0	194.7	0
2000	208,527	0.833	218.0	16.6	234.0	742
2001	0	0.859	248.5	29.2	276.6	0
2002	58,612	0.885	280.0	54.4	332.2	156
2003	160,937	0.913	318.5	78.0	393.4	373
2004	0	0.941	355.0	94.0	445.3	0
2005	0	0.970	372.5	108.7	476.9	0
Wtd Average:						159
Wtd Average 2000 & Subsequent:						173
Selected Pure Premium:						166

	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Accident / Report / Calendar Year	Selected Gross Ultimate Loss & ALAE Pure Premium	6.00% Trend Factor	Occurrence Policyholders with MUA Coverage	Mature CM Equivalent Policyholders with MUA Coverage	Occurrence Implicit % Unreported	Claims-Made Implicit % Unreported	Combined Gross Incurred Loss & ALAE	BF Indicated Combined Gross Ultimate Loss & ALAE
2006	166	1.000	377.0	122.1	25.4%	4.3%	0	16,699
2007	166	1.060	393.0	147.4	38.4%	25.9%	0	32,961
2008	166	1.124	435.0	186.2	57.0%	24.5%	3,756,104	3,810,470
2009	166	1.191	506.5	234.6	95.1%	48.6%	1,544,891	1,661,668

- (1) From Exhibit 5.
 (3),(4),(9),(10) Provided by NCMIC.
 (5) , (14) Uses a mature claims-made to occurrence factor of 0.96.
 (11) , (12) From Exhibit 2.
 (14) = (7)*(8) * [(9)*(11) + 0.96*(10)*(12)] + (13)

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

**Selection of Gross Ultimate Loss & ALAE
MUA Only**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Accident / Report Year	Combined Gross Paid Loss & ALAE	Combined Gross Incurred Loss & ALAE	Indicated Gross Ultimate Loss & ALAE:				Selected Combined Gross Ultimate Loss & ALAE
			Paid LDF Method	Incurred LDF Method	Case Reserve Development Method	Incurred BF Method	
1991	58,881	58,881	58,881	58,881	58,881		58,881
1992	53,039	53,039	53,039	53,039	53,039		53,039
1993	64,886	64,886	64,886	64,886	64,886		64,886
1994	0	0	0	0	0		0
1995	117,689	117,689	117,689	117,689	117,689		117,689
1996	0	0	0	0	0		0
1997	0	0	0	0	0		0
1998	0	0	0	0	0		0
1999	0	0	0	0	0		0
2000	206,937	206,937	210,495	208,149	206,937		208,527
2001	0	0	0	0	0		0
2002	56,136	56,136	60,766	58,935	56,136		58,612
2003	151,928	151,928	168,631	162,253	151,928		160,937
2004	0	0	0	0	0		0
2005	0	0	0	0	0		0
2006	0	0	0	0	0	16,699	16,699
2007	0	0	0	0	0	32,961	32,961
2008	126,104	3,756,104	3,509,059	8,735,799	9,007,531	3,810,470	3,810,470
2009	44,891	1,544,891	512,744	3,007,564	3,256,850	1,661,668	1,661,668

(1) , (3) From Exhibit 1.
(2) , (4) From Exhibit 2.
(5) From Exhibit 3.
(6) From Exhibit 4.

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

Trended MUA Only Experience Based Loss & ALAE Pure Premium

	(1)	(2)	(3)	(4) (1) x (2) x (3)	(5)	(6) (4) / (5)
Accident / Report / Calendar Year	MUA Only Combined Gross Ultimate Loss & ALAE	-3.00% Trend Factor to AY/R Y 2006	6.00% Trend Factor from AY/R Y 2006 to 4/1/2010 Effective Date	MUA Only Trended Combined Gross Ultimate Loss & ALAE	Number of Occ Equiv Policyholders with MUA Coverage	MUA Only Trended Gross Ultimate Loss & ALAE Pure Premium
1994	0	0.694	1.319	0	22.0	0
1995	117,689	0.715	1.319	111,008	67.0	1,657
1996	0	0.737	1.319	0	116.0	0
1997	0	0.760	1.319	0	146.4	0
1998	0	0.784	1.319	0	165.1	0
1999	0	0.808	1.319	0	194.7	0
2000	208,527	0.833	1.319	229,041	234.0	979
2001	0	0.859	1.319	0	276.6	0
2002	58,612	0.885	1.319	68,425	332.2	206
2003	160,937	0.913	1.319	193,687	393.4	492
2004	0	0.941	1.319	0	445.3	0
2005	0	0.970	1.319	0	476.9	0
2006	16,699	1.000	1.319	22,021	494.2	45
2007	32,961	1.000	1.244	41,006	534.5	77
2008	3,810,470	1.000	1.174	4,472,387	613.7	7,287
2009	1,661,668	1.000	1.107	1,839,701	731.8	2,514
Total	6,067,563			6,977,274	5,243.7	1,331
Total Last 10	5,949,874			6,866,267	4,532.4	1,515
Total Last 7	5,682,735			6,568,801	3,689.7	1,780
Total Last 5	5,521,798			6,375,114	2,851.0	2,236

(1) From Exhibit 5.

(5) From Exhibit 4.

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

Trended MUA Only Experience Based Loss & ALAE Pure Premium

	(1)	(2)	(3)	(4) (1) x (2) x (3)	(5)	(6) (4) / (5)
Accident / Report / Calendar Year	MUA Only Ultimate \$1M Limited Loss & Pro-Rata ALAE	-2.50% Trend Factor to AY/R Y 2006	5.50% Trend Factor from AY/R Y 2006 to 4/1/2010 Effective Date	MUA Only Trended Ultimate \$1M Limited Loss & Pro-Rata ALAE	Number of Occ Equiv Policyholders with MUA Coverage	MUA Only Trended Ultimate \$1M Limited Loss & Pro-Rata ALAE Pure Premium
1994	0	0.738	1.289	0	22.0	0
1995	117,689	0.757	1.289	114,860	67.0	1,714
1996	0	0.776	1.289	0	116.0	0
1997	0	0.796	1.289	0	146.4	0
1998	0	0.817	1.289	0	165.1	0
1999	0	0.838	1.289	0	194.7	0
2000	208,698	0.859	1.289	231,164	234.0	988
2001	0	0.881	1.289	0	276.6	0
2002	58,612	0.904	1.289	68,296	332.2	206
2003	161,300	0.927	1.289	192,766	393.4	490
2004	0	0.951	1.289	0	445.3	0
2005	0	0.975	1.289	0	476.9	0
2006	17,328	1.000	1.289	22,343	494.2	45
2007	33,248	1.000	1.222	40,636	534.5	76
2008	1,565,219	1.000	1.159	1,813,392	613.7	2,955
2009	915,415	1.000	1.098	1,005,157	731.8	1,374
Total	3,077,508			3,488,613	5,243.7	665
Total Last 10	2,959,819			3,373,753	4,532.4	744
Total Last 7	2,692,509			3,074,294	3,689.7	833
Total Last 5	2,531,209			2,881,528	2,851.0	1,011

(1) From Exhibit 5.

(5) From Exhibit 4.

Note: Loss & ALAE subject to clash retention of \$2M per occurrence.

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

Trended MUA Only Experience Based Loss & ALAE Pure Premium

	(1)	(2)	(3)	(4) (1) x (2) x (3)	(5)	(6) (4) / (5)
Accident / Report / Calendar Year	MUA Only Ultimate \$500k Limited Loss & Pro-Rata ALAE	-2.00% Trend Factor to AY/R Y 2006	5.00% Trend Factor from AY/R Y 2006 to 4/1/2010 Effective Date	MUA Only Trended Ultimate \$500k Limited Loss & Pro-Rata ALAE	Number of Occ Equiv Policyholders with MUA Coverage	MUA Only Trended Ultimate \$500k Limited Loss & Pro-Rata ALAE Pure Premium
1994	0	0.785	1.261	0	22.0	0
1995	117,689	0.801	1.261	118,798	67.0	1,773
1996	0	0.817	1.261	0	116.0	0
1997	0	0.834	1.261	0	146.4	0
1998	0	0.851	1.261	0	165.1	0
1999	0	0.868	1.261	0	194.7	0
2000	208,698	0.886	1.261	233,054	234.0	996
2001	0	0.904	1.261	0	276.6	0
2002	58,612	0.922	1.261	68,153	332.2	205
2003	161,300	0.941	1.261	191,382	393.4	486
2004	0	0.960	1.261	0	445.3	0
2005	0	0.980	1.261	0	476.9	0
2006	17,790	1.000	1.261	22,427	494.2	45
2007	33,973	1.000	1.201	40,790	534.5	76
2008	1,516,223	1.000	1.144	1,733,837	613.7	2,825
2009	966,880	1.000	1.089	1,052,895	731.8	1,439
Total	3,081,164			3,461,337	5,243.7	660
Total Last 10	2,963,476			3,342,538	4,532.4	737
Total Last 7	2,696,166			3,041,331	3,689.7	824
Total Last 5	2,534,866			2,849,949	2,851.0	1,000

(1) From Exhibit 5.

(5) From Exhibit 4.

Note: Loss & ALAE subject to clash retention of \$2M per occurrence.

**NCMIC Insurance Company
Chiropractor Professional Liability Coverage
MUA Rate Indication Effective April 1, 2010**

Indicated Countrywide Charge for MUA Coverage

	(1)	(2)	(3)	(4) (1) x (2) / [1 - (3)]
<u>Indicated Diagnostic</u>	<u>Projected MUA Loss & ALAE Pure Premium</u>	<u>Increased Limits Factor to Gross</u>	<u>Premium Tax</u>	<u>Indicated Charge for MUA Coverage</u>
Gross Pure Premium				
Total	\$1,331	1.000	2.0%	\$1,358
Total Last 10	\$1,515	1.000	2.0%	\$1,546
Total Last 7	\$1,780	1.000	2.0%	\$1,817
Total Last 5	\$2,236	1.000	2.0%	\$2,282
 \$1M Loss & Pro-Rata ALAE Pure Premium				
Total	\$665	1.010	2.0%	\$686
Total Last 10	\$744	1.010	2.0%	\$767
Total Last 7	\$833	1.010	2.0%	\$859
Total Last 5	\$1,011	1.010	2.0%	\$1,042
 \$500k Loss & Pro-Rata ALAE Pure Premium				
Total	\$660	1.100	2.0%	\$741
Total Last 10	\$737	1.100	2.0%	\$828
Total Last 7	\$824	1.100	2.0%	\$925
Total Last 5	\$1,000	1.100	2.0%	\$1,122

NCMIC Select:	\$750
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- (1) From Exhibits 6a, 6b and 6c.
(2) Based on NCMIC's historical PL claims data.
(3) Provided by NCMIC.

Note: Limited loss & pro-rata ALAE subject to clash retention of \$2M per occurrence.

District of Columbia and Countrywide Experience Exhibit

DISTRICT OF COLUMBIA	Year 2009	Year 2008	Year 2007	Year 2006	Year 2005
Written Premium	28,748	27,414	28,422	28,913	25,928
Number of Policyholders	36	38	35	38	32
COUNTRYWIDE					
Written Premium	63,720,111	63,431,690	63,742,990	64,137,093	64,121,867
Number of Policyholders	38,250	37,353	36,906	36,431	36,123

Historical Rate Changes:

There have been no rate changes in the past five years.

NCMIC Insurance Company
Chiropractic Malpractice Program
2010 Rating Manual Explanatory Memorandum

The following items within the rating manual have been revised or added to our currently approved Chiropractic Malpractice rating manual as a result of this filing. Please see the side-by-side comparison of the old and new rating manual for detailed information regarding the revisions outlined below.

- We have removed the specific part-time discount factors for semi-retired, disabled and faculty practitioners. All part-time practitioners, regardless of the reason for part-time practice, will now fall under the general part-time discount.
- We have modified the definition of the part-time discount to eliminate number of hours worked as an eligibility requirement.
- We have added a \$750 charge for the Manipulation Under Anesthesia Endorsement (Form 06-2007 03/10).
- We have added a new Manipulation Under Anesthesia Course Proctorship Endorsement (Form 06-2032 03/10) at a cost of \$250. Please note that while this endorsement is new, the coverage provided is not new. Previously, confirmation of this coverage was provided via a letter.

Side-by-Side Rating Manual Comparison

Attached please find a comparison of NCMIC Insurance Company's currently approved chiropractic malpractice rating manual and its revised rating manual. All information that has been deleted from the currently approved manual has a ~~red line through it~~ and all new information that has been added to the new proposed manual is underlined in blue.

To see where the changes are, please scroll down.

District of Columbia Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

District of Columbia Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

Insureds

NCMIC has two types of insureds. The two types of insureds are listed below:

1. Individual chiropractor (DC)
2. Professional Entities

Policy Period

The policy period shall be for a one-year term.

Minimum Premium

NCMIC does not have a minimum premium requirement.

Waiver of Additional Premiums

Additional premiums, up to \$10.00, for endorsements effective subsequent to the inception date of the policy will be waived.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 51% of his/her practice. If the doctor does not have 51% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have equal percentage of practice, then rate in the higher rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with \$5.00 installment fee.

Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

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Additional premiums, up to \$10.00, for endorsements effective subsequent to the inception date of the policy will be waived.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 51% of his/her practice. If the doctor does not have 51% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have equal percentage of practice, then rate in the higher rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with \$5.00 installment fee.

Quarterly payment option – 25% of premium payment required along with \$5.00 installment fee.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than \$750.00.

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, any refund will be computed pro-rata.

Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the underwriting review and acceptance of our insureds:

1. Fully and permanently licensed in the state(s) of practice.
2. Criminal record.
3. Prior claims history:
 - a. Severity of claim
 - b. Indemnity paid
 - c. Date of claim
 - d. Frequency of Claim
4. Any possible current claims and/or incidents

Quarterly payment option – 25% of premium payment required along with \$5.00 installment fee.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than \$750.00.

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, any refund will be computed pro-rata.

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1. Fully and permanently licensed in the state(s) of practice.
2. Criminal record.
3. Prior claims history:
 - a. Severity of claim
 - b. Indemnity paid
 - c. Date of claim
 - d. Frequency of Claim
4. Any possible current claims and/or incidents

5. Declined, canceled or refused renewal for coverage
6. Revocation, suspension or probation of license
7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$590.00.

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

5. Declined, canceled or refused renewal for coverage
6. Revocation, suspension or probation of license
7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$590.00.

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

<u>Maturity</u>	<u>Retro Factors</u>
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

<u>Maturity</u>	<u>Retro Factors</u>
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50
Semi-retired	0.50
Disabled	0.50
Faculty	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

Discount factors

<u>Part-time</u>	<u>0.50</u>
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's occurrence policy premium.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's occurrence policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$615.00.

Base Premium Developed

Base Rate x ILF = Base premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased limits factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate Occurrence Discounted Premium

Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discounts factors

Part-Time	0.50
Semi-Retired	0.50
Disabled	0.50
Faculty	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

STEP 1 – Calculate Base Premium**Base Rate**

Base rate is our 100/300 limit of liability charge of \$615.00.

Base Premium Developed

Base Rate x ILF = Base premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased limits factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate Occurrence Discounted Premium**Formula for Discounted Premium (Premium when discounts apply)**

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discounts factors

Part-Time	<u>0.50</u>
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity coverage premium developed

Professional Entity coverage premium = base premium x professional entity coverage factor

Professional Entity Factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated.

Occurrence Discounted Premium with Endorsements

Formula: Occurrence discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

NCMIC Insurance Company may utilize the ~~following schedule~~ of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 25%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

Professional Entity coverage premium developed

Professional Entity coverage premium = base premium x professional entity coverage factor

Professional Entity Factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated.

Occurrence Discounted Premium with Endorsements

Formula: Occurrence discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 25%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	<u>CREDIT</u>	<u>DEBIT</u>
Unusual risk characteristics	XXXX	0-25%
Claim history debit	XXXX	0-25%

	<u>CREDIT</u>	<u>DEBIT</u>
Unusual risk characteristics	XXXX	0-25%
Claim history debit	XXXX	0-25%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided at no additional charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Extended Reporting Endorsement (Tail Coverage) Form 06-2014 07/07

If a claims made policy is canceled or non-renewed for any reason other than non-payment of premium, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made rates

Number of Years Since Retro Date	Tail Factor (Factor to apply to <u>mature claims made</u> <u>rate</u> in effect at policy termination)
1	0.654
2	0.975
3	1.062
4	1.082

Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On “claims made” forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured's NCMIC claims made policy.

Example:

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided at no additional charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

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Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On “claims made” forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured’s NCMIC claims made policy.

Example:

Policy expires 6-1-05. The extended reporting endorsement (tail coverage) must be purchased by 7-30-05.

2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured’s most recent NCMIC claims made policy retroactive date.

Example:

Policy expires 6-1-05. The extended reporting endorsement (tail coverage) must be purchased by 7-30-05.

2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured's most recent NCMIC claims made policy retroactive date.

Example:

The insured's claims made policy retroactive date is 7-1-05 and expiration date is 10-1-05. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-05 to 10-1-05.

3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.

Example:

An insured has a malpractice insurance policy with us issued with a \$1,000,000/\$3,000,000 limit of liability. The insured has a retroactive date of 1-1-04 and the insurance policy is canceled with us on 3-28-05. The charge for the insured's tail coverage premium has been computed below.

- a. You first must determine how many days between the retroactive date and the cancellation effective date.
- b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate \$1,788 x (Increased limits factor) 1.75 = mature claims made base premium
\$3,129.00.

- c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

1 or 2 or 3 or 4+ years

Mature claims made base premium		\$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	\$2,046.00

- d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

- e. Pro-rate the remaining number of days to the policy cancellation date.

The insured's claims made policy retroactive date is 7-1-05 and expiration date is 10-1-05. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-05 to 10-1-05.

3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.

Example:

An insured has a malpractice insurance policy with us issued with a \$1,000,000/\$3,000,000 limit of liability. The insured has a retroactive date of 1-1-04 and the insurance policy is canceled with us on 3-28-05. The charge for the insured's tail coverage premium has been computed below.

- a. You first must determine how many days between the retroactive date and the cancellation effective date.
- b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate \$1,788 x (Increased limits factor) 1.75 = mature claims made base premium \$3,129.00.

- c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

1 or 2 or 3 or 4+ years

Mature claims made base premium		\$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	\$2,046.00

- d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

- e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium	\$3,129
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Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium		\$3,129
Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	\$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. (\$3,051.00) – Extended Reporting Period Premium 1 yr. (\$2,046.00) = \$1,005.00

Number of days	87
Number of days in year	365

f. Calculate: $(87 / 365) \times \$1005.00 = \240.00

Extended Reporting Period Premium 1 yr. \$2,046.00 + \$240.00 = \$2,286.00

4. Tail coverage is priced at the rules and rates in effect at policy termination.
5. Tail coverage is provided at no additional charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is provided at no additional charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is provided at no additional charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.
6. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, except non-payment of premium, the tail coverage will be provided at no additional charge.

Section V – Discounts

(Available for both claims made and occurrence policies)

New Practitioner Discounts Available:

License Date: NCMIC uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor practicing ~~20 hours or less per week~~ is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for ~~part-time discount~~.

~~2. Semi – Retired Discount~~

~~A chiropractor must be 55 years of age practicing 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.~~

~~3. Faculty Discount~~

~~A chiropractor must work 20 hours or more at a chiropractic college and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.~~

~~4. Disabled Discount~~

~~A chiropractor must submit a physician's statement and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.~~

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor practicing part-time is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for the part-time discount.

2. Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is \$0 dollars indemnity and \$15,000 or less LAE payments cumulative for the time period under review. The claims free discount will only be applied to the doctor's base premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

<u>Number of years insured with NCMIC without a claim</u>	<u>Percentage discount</u>
Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%

5. Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is \$0 dollars indemnity and \$15,000 or less LAE payments cumulative for the time period under review. The claims free discount will only be applied to the doctor's base premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

<u>Number of years insured with NCMIC without a claim</u>	<u>Percentage discount</u>
Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%
Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

6. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is

Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

3. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is \$1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$\$1,500 \times .50 =$	\$750 (faculty base premium)
$(20\% + 15\%) \times .50 =$	17.5% (total discounts allowed)
$\$750 \times 17.5\% =$	131.25 (discount amount)
$\$750 - 131.25 =$	\$618.75 (premium to be paid)

Section VI – Coverage Options (Available for both claims made and occurrence policy)

MUA Endorsement (Form 06-2007 03/10)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. The charge for this endorsement will be \$750.00.

also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is \$1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$\$1,500 \times .50 =$	\$750 (faculty base premium)
$(20\% + 15\%) \times .50 =$	17.5% (total discounts allowed)
$\$750 \times 17.5\% =$	131.25 (discount amount)
$\$750 - 131.25 =$	\$618.75 (premium to be paid)

Section VI – Coverage Options (Available for both claims made and occurrence policy)

MUA Endorsement (Form 06-2007 ~~05/06~~)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. ~~There is no charge for this coverage.~~

Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2001 ~~05/06~~ and Form 06-2002 ~~05/06~~)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity - Separate Limits of Liability Endorsement (Form 06-2003 ~~05/06~~ and Form 06-2004 ~~05/06~~)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

MUA Course Proctorship Endorsement (Form 06-2032 03/10)

This endorsement provides coverage for insured chiropractors while attending the practical, hands-on portion of their manipulation under anesthesia course (clinical competencies). An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. The charge for this endorsement will be \$250.00.

Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2001 05/06 and Form 06-2002 05/06)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity - Separate Limits of Liability Endorsement (Form 06-2003 05/06 and Form 06-2004 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2005 05/06 and Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220% of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2005 05/06 and Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220% of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Supplemental Legal Defense Endorsement (Form 06-2015 07/08 and Form 06-2016 07/08)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to \$25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 07/07 and Form 06-2018 07/07)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the leave of absence. Suspension of coverage does not apply to any professional entities insured under the policy.

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Supplemental Legal Defense Endorsement (Form 06-2015 07/08 and Form 06-2016 07/08)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to \$25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 07/07 and Form 06-2018 07/07)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the leave of absence. Suspension of coverage does not apply to any professional entities insured under the policy.

Active Military Duty Endorsement (Form 06-2019 07/07 and Form 06-2020 07/07)

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave. Suspension of coverage does not apply to any professional entities insured under the policy.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Naturopathy Endorsement (Form 06-2023 05/06)

This endorsement adds coverage for insured chiropractors who are also licensed naturopaths and are providing both chiropractic and naturopathic treatment to patients. Additional application

Active Military Duty Endorsement (Form 06-2019 07/07 and Form 06-2020 07/07)

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave. Suspension of coverage does not apply to any professional entities insured under the policy.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Naturopathy Endorsement (Form 06-2023 05/06)

This endorsement adds coverage for insured chiropractors who are also licensed naturopaths and are providing both chiropractic and naturopathic treatment to patients. Additional application information will be required for approval. The charge for this endorsement is 15% of the base premium.

Dual License – Acupuncture – Oriental Medicine Endorsement (Form 06-2024 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice Acupuncture – Oriental medicine while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. The charge for this endorsement is 5% of the base premium.

Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

Delegation of Certain Policy Rights Endorsement (Form 06-2026 04/07)

This optional endorsement allows an insured to delegate certain policy rights to his or her employer.

Dual License – Massage Therapy Endorsement (Form 06-2027 06/07)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice massage therapy while acting within the scope of their license(s) and/or certification(s). Additional application information will be required for approval. There is no charge for this endorsement.

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Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

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Dual License – Massage Therapy Endorsement (Form 06-2027 06/07)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice massage therapy while acting within the scope of their license(s) and/or certification(s). Additional application information will be required for approval. There is no charge for this endorsement.

Chiropractic Treatment of Animals Endorsement (Form 06-2029 07/08)

This endorsement will add treatment of animals to the list of professional services covered by the policy. Coverage is limited to \$40,000 per claim and \$80,000 aggregate per policy period. The charge for this endorsement is \$200.

Chiropractic Treatment of Animals Endorsement (Form 06-2029 07/08)

This endorsement will add treatment of animals to the list of professional services covered by the policy. Coverage is limited to \$40,000 per claim and \$80,000 aggregate per policy period. The charge for this endorsement is \$200.

Section VII Coverage Options (Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years

Since Retroactive Date

Prior Acts Factor

1	62.8%
2	93.6%
3	102%
4	103.9%

Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is \$100,000/\$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

Section VII Coverage Options (Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years Since Retroactive Date	Prior Acts Factor
1	62.8%
2	93.6%
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Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is \$100,000/\$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

